

1 Bitfinex, and that's where you're going to trade all
2 of your other crypto. But why don't you come off --
3 off that exchange onto this protocol and trade here
4 too?

5 You know, in particular, for a market
6 maker, that's really inefficient, because now you
7 have to have two pools of capital in two places.
8 You're locking up your opportunity because now you
9 have to have \$1,000 at the exchange and \$1,000 on the
10 protocol main markets.

11 So I always felt that that was the primary
12 reason why we were struggling to coalesce liquidity
13 on the protocol. Just that there were these other
14 liquidity pool that wasn't participating in -- in the
15 protocol.

16 And even more so, it was fighting against
17 what -- that protocol for -- for capital.

18 Q. You said that you've been following market
19 sentiment and there are some clear trends. Are you
20 talking about trends in connection with market
21 sentiment?

22 A. I don't -- I don't remember what I'm
23 referencing here.

24 Q. Do you remember what trends?

25 A. I don't.

1 Q. Let's look at 117.

2 (Document titled How We Talk about XRP,
3 Bates 0624330 through -332, was marked MV
4 Exhibit 117 for identification, as of this
5 date.)

6 Q. Mr. Vias, I'm showing you what's been
7 marked as MV 117, which is a document with a
8 Bates 0624330 through -332.

9 (Witness reviewing document.)

10 A. Okay.

11 Q. Have you ever seen this document before?

12 A. I don't remember.

13 Q. Have you ever discussed anything that's in
14 this document with any nonattorneys at Ripple?

15 A. I don't remember.

16 Q. Does this refresh your memory as to whether
17 you received any guidance on how to talk about XRP?

18 MR. HORTON: Are you asking about guidance
19 from nonlawyers?

20 MS. WAXMAN: Yes.

21 MS. COWAN: Objection.

22 A. I -- I don't remember seeing this document
23 before.

24 Q. Did Ripple seek to avoid talking about XRP
25 as an investment?

1 MR. HORTON: Objection to form.

2 A. I don't know.

3 Q. Did you understand that Ripple statements
4 to the market about XRP were important to the
5 question of XRP status?

6 MR. HORTON: Objection to form.

7 A. No.

8 Q. On the second page at the top, it says, How
9 we talk about XRP and why it matters.

10 And then the second paragraph, second
11 sentence says, XRP is distinct from Ripple the
12 company, and XRP has a unique value separate from the
13 company.

14 Didn't we look at emails earlier today
15 where you or Ripple stated at that XRPs value was --
16 had -- XRPs price had moved in relation to Ripple
17 announcements?

18 MR. HORTON: Objection. Form.

19 A. I'm sorry, I'm just -- maybe it's because
20 I'm tired, it's a long day, but I am having trouble
21 connecting that question to what's on the paper.

22 Q. It says that XRP is distinct from Ripple
23 the company, and XRP has a unique value separate from
24 the company.

25 Do you agree with that statement, that --

1 do you agree with the statement that XRP has a unique
2 value separate from the company?

3 A. Yes.

4 Q. But earlier did you -- did you -- did you
5 believe that certain of -- certain Ripple
6 announcements had impacted XRP's price in the market?

7 MR. HORTON: Objection to form.

8 A. I don't remember testifying to that today,
9 no.

10 Q. Did Ripple want to avoid SEC classification
11 of XRP?

12 MR. HORTON: Objection to form.

13 A. I don't know.

14 Q. Would this have severely limited the
15 company and the founders' ability to sell XRP into
16 the market?

17 MR. HORTON: Objection to form.

18 A. I don't know.

19 Q. Would this have severely limited the
20 company -- the company's and the founders' ability to
21 profit from the XRP?

22 MR. HORTON: Objection to form.

23 A. I don't know.

24 Q. Were you told not to talk about XRP as an
25 investment?

1 A. I don't remember that, no.

2 MS. WAXMAN: Exhibit 88, please.

3 (Email exchange re: Application - for Your
4 Review and Signature, Bates 0034575, was marked
5 MV Exhibit 88 for identification, as of this
6 date.)

7 Q. Mr. Vias, I'm showing you what's been
8 marked as MV 88, which is a document with
9 Bates 0034575.

10 A. Okay.

11 Q. Earlier today, we spoke about Ripple's work
12 in connection with exchanges. Correct?

13 A. Yes.

14 Q. Market participants were asking you
15 questions about the legal status of XRP under the
16 federal securities laws.

17 MR. HORTON: Objection to form.

18 A. I don't remember.

19 Q. Does MV 88 refresh your memory as to
20 whether Bittrex asked you questions about XRP's
21 status under the federal securities laws?

22 A. So he's -- I mean, he's referencing here
23 the Howey analysis. I'm assuming that has to do with
24 this securities laws, but I don't -- I don't exactly
25 know what the tie, Howey to the law, is.

1 Sorry. I apologize if that's random or not
2 clear.

3 Q. Are you familiar with what is known as the
4 Howey test?

5 MR. HORTON: Objection.

6 A. Vaguely.

7 Q. And what is the Howey test?

8 MR. HORTON: Objection.

9 A. As far as I understand it, it's the litmus
10 test for whether or not something's a security.

11 Q. Okay. And so does this refresh your memory
12 of whether Bittrex was asking questions about XRP's
13 status as a security?

14 MR. HORTON: Objection. Asked and
15 answered.

16 A. Yeah. I mean, I think [REDACTED] -- he's
17 saying, I'm looking for a way to help our outside
18 counsel get more comfortable with the Howey analysis.
19 He doesn't specifically say it's about XRP but given
20 the email's to [REDACTED] and he was our lawyer, I'm
21 assuming it has to do with XRP.

22 Q. So Bittrex wanted to know whether there was
23 a legal opinion regarding XRP?

24 MR. HORTON: Objection to form.

25 A. I don't know.

1 Q. Was XRP status under the federal securities
2 laws important to digital asset platforms that were
3 looking to partner or list XRP?

4 MR. HORTON: Objection to form.

5 A. I don't know.

6 For all them, I don't know.

7 Q. Did some of them ask questions about XRP
8 status under the federal securities laws?

9 MR. HORTON: Objection to form.

10 A. Yes.

11 Q. Which ones?

12 A. Oh, I won't remember them all off the top
13 of my head.

14 Q. And people wanted to know what Ripple's
15 position was on that issue?

16 MR. HORTON: Objection to form.

17 A. Yes.

18 Q. And what did you tell them?

19 MR. HORTON: Objection. Lack of
20 foundation.

21 A. I usually told them to speak to legal.

22 Q. Did you participate in conversations that
23 exchanges had with Ripple legal?

24 A. At times. Not often. But at times, yeah.

25 Q. Were these platforms concerned that XRP

1 could be deemed a security?

2 MR. HORTON: Objection to form.

3 A. I think so, yeah.

4 Q. Isn't that why they sought clarification
5 from Ripple?

6 MR. HORTON: Objection to form.

7 A. I mean, I think that's why they wanted
8 clarification, writ large.

9 Q. What did Ripple do to -- if anything, to
10 address these concerns that XRP could be a security?

11 MR. HORTON: Objection to form.

12 A. I don't remember in every case.

13 Q. Do you remember what they did in the case
14 of Bittrex?

15 A. Actually, I don't remember how this ended
16 up.

17 Q. Do you remember what they did in any case?

18 MR. HORTON: Objection. Asked and
19 answered.

20 A. In any case.

21 Q. In any -- at any point.

22 MR. HORTON: Same objection.

23 A. Yeah, I mean, I think a few times we -- we
24 had, like, legal talk to their legal. I don't
25 remember.

1 Q. What did legal say in those conversations?

2 MR. HORTON: Objection.

3 A. I wouldn't have been part of all of the
4 conversations, I don't think.

5 Q. The conversations that you were present,
6 what did legal say?

7 A. I remember one in particular, which was the
8 [REDACTED]

9 And in that conversation, our legal
10 basically walked the [REDACTED] lawyers through a document
11 we had, basically saying that XRP wasn't a security
12 and the rationale for it.

13 THE COURT REPORTER: I'm sorry, was or
14 wasn't?

15 THE WITNESS: Was not.

16 Q. Did Ripple provide a legal opinion from a
17 law firm stating that XRP was not a security?

18 MR. HORTON: Objection to form.

19 A. I don't remember the -- what the document
20 was. Actually, I don't -- I don't think I ever saw
21 it.

22 Q. You don't think you ever saw the document
23 that legal provided?

24 A. I don't think legal provided it ever. On
25 the [REDACTED] call, I think they spoke to it.

1 Q. And what -- when you say you don't think
2 they provided "it" ever, what are you referring to?

3 A. To [REDACTED] folks.

4 Q. What did Ripple tell [REDACTED] about XRP status
5 under the federal securities laws?

6 MR. HORTON: Objection to form.

7 A. On that call?

8 Q. On any call.

9 MR. HORTON: Objection.

10 A. I don't know.

11 Q. Specifically related to XRP status under
12 the federal securities laws.

13 A. The only -- the only call that I remember
14 is the one that I'm referencing now, which is where
15 our legal was on the phone with their legal. And all
16 I remember is, you know, our legal saying it's not a
17 security. This is our rationale. And we have a
18 document that says it.

19 Q. And what document were they referring to
20 when they said, We have a document that says this?

21 A. I don't know.

22 Q. Was it a legal opinion from a law firm?

23 A. I -- I can't say for sure.

24 Q. Did any platform decide not to do business
25 with Ripple after you provided information regarding

1 Ripple's opinion about XRP status?

2 MR. HORTON: Objection to form.

3 A. I don't know.

4 Q. Other than [REDACTED] did any other platform tell
5 you -- ask you about XRP status under the federal
6 securities laws?

7 A. I don't --

8 MS. COWAN: Objection.

9 A. I don't remember.

10 Q. Did HBUS ask you about XRP status under the
11 federal securities laws?

12 A. I'm sorry, I don't know who that is. I
13 don't know who HBUS is.

14 Q. My understanding is it's the platform.

15 A. Oh. From what year?

16 Q. I think I can show you a document.

17 A. Yeah, I don't know. It's not ringing a
18 bell.

19 Q. Did [REDACTED] not move forward with an XRP index
20 due to the fact that Ripple could not provide -- or
21 did not provide it with a -- a legal opinion that XRP
22 was not a security?

23 MR. HORTON: Objection to form.

24 A. I don't know if that's why they didn't move
25 forward.

1 Q. Did you have any understanding as to why
2 they didn't move forward with an XRP future?

3 A. Because they didn't have an index.

4 Q. Didn't the -- did you have any
5 understanding as to why the [REDACTED] didn't move forward
6 with an XRP index?

7 A. I don't think I ever got the definitive
8 answer.

9 Q. Did you have any understanding, even
10 though -- even if it wasn't definitive, what their
11 thinking was?

12 A. No.

13 Q. Did Gemini ever tell you that it could not
14 move forward with an XRP listing due to concerns that
15 XRP could be deemed a security?

16 A. Not that I remember.

17 MS. WAXMAN: Exhibit 89, please.

18 (Bittrex xRapid Partnership Agreement,
19 Bates Stamps 0158997 through 059004, was marked
20 MV Exhibit 89 for identification, as of this
21 date.)

22 MS. WAXMAN: How much time do I have left?

23 THE VIDEOGRAPHER: We're going to 5:54,
24 so -- what is that? 30 --

25 MR. TENREIRO: 38.

1 THE VIDEOGRAPHER: Yeah, 38.

2 Q. Mr. Vias, I'm showing you what's been
3 marked as MV 89, which is a document with the Bates
4 Stamp 0158997 through 059004. And I'm going to ask
5 you about section 4, paragraph 3. If you would just
6 focus on that.

7 A. Indemnification?

8 Q. Correct.

9 (Witness reviewing document.)

10 A. Okay.

11 Q. Do you recognize what's been marked as
12 MV 89?

13 A. Do I recognize -- no, I don't remember
14 this.

15 Q. This is a draft -- says it's a draft,
16 Bittrex-xRapid partnership agreement.

17 In the middle of section 4, paragraph 3,
18 there's a sentence that reads, For the avoidance of
19 doubt, indemnified claims shall not include any
20 claims of losses arising from Bittrex's listing of
21 XRP for transactions for purchase, trade, or sale by
22 its customers, or any claims or losses related to the
23 regulatory classification of XRP.

24 Is that a sentence that Ripple added to the
25 contract -- draft contract?

1 MR. HORTON: Objection. Lack of
2 foundation.

3 A. I don't know.

4 MS. WAXMAN: Exhibit 90, please.

5 (Bittrex xRapid Partnership Agreement,
6 Bates Stamps 0158397 through -404, was marked MV
7 Exhibit 90 for identification, as of this date.)

8 Q. Again, I'm going to point you to section 4,
9 paragraph 3 of Exhibit 90, which has the
10 Bates 0158397 through 0158404.

11 A. What am I looking at?

12 Q. Section 4, paragraph 3, indemnification.
13 Same paragraph.

14 A. Same paragraph. Okay. Sorry.
15 (Witness reviewing document.)

16 A. Okay.

17 Q. In this version, in this document, in that
18 paragraph, it looks like the sentence that I just
19 read is deleted. Correct?

20 A. Yes.

21 MR. HORTON: Objection.

22 Q. Did Bittrex delete that sentence?

23 MR. HORTON: Objection. Lack of
24 foundation.

25 A. I don't know.

1 Q. Did Bittrex want Ripple to indemnify them
2 if sales of XRP were deemed sales of securities?

3 MR. HORTON: Objection. Lack of
4 foundation.

5 A. I don't know.

6 Q. Did Bittrex understand there was a risk
7 that XRP could be deemed a security?

8 MR. HORTON: Objection. Lack of
9 foundation.

10 A. I don't know.

11 Q. Did you have any discussions with anyone at
12 Bittrex about Ripple providing any indemnification to
13 Bittrex related to regulatory issues?

14 MR. HORTON: Objection. Lack of
15 foundation.

16 A. Not that I can remember, no.

17 Q. You were involved with xRapid pilots?

18 A. I was head of the team that was meant to
19 make them a reality, yeah.

20 Q. And what were the purpose of xRapid pilots?

21 A. Those were -- they were kind of proofs of
22 concept. You run pilots with the customers to flesh
23 out the product, to see how it works, how it doesn't
24 work, what the customers like, what they don't like,
25 what you need to refine in order to get it

1 deployable, in earnest.

2 Q. So proof-of-concept means to establish that
3 it actually works?

4 MS. COWAN: Objection.

5 A. No, not -- not that it actually works, but
6 how it works, how well it works.

7 I think by the time you get to a
8 proof-of-concept point, like you've -- you've tested
9 it enough to know that it -- it works. It's just
10 does it work in the wild, if you will.

11 Q. Or how well -- you're trying to test how
12 well it works.

13 A. How well it works, yes.

14 MS. WAXMAN: Exhibit 91, please.

15 (Email exchange re: Need Help ASAP -
16 Western Union, Bates [REDACTED] 0028696 through -697,
17 was marked MV Exhibit 91 for identification, as
18 of this date.)

19 Q. Mr. Vias, I'm showing you what's been
20 marked as MV 91, which is a document with the Bates
21 [REDACTED] 0028696 through -697.

22 (Witness reviewing document.)

23 A. Okay.

24 Q. Were you involved with Western Union's
25 pilot of xRapid?

1 A. I was.

2 Q. And were you familiar with the results of
3 the xRapid -- the Western Union xRapid pilot?

4 MS. COWAN: Objection.

5 A. I don't remember.

6 I must have been, but I don't remember what
7 they were.

8 Q. Did Western Union publicly comment about
9 the xRapid pilot with Ripple?

10 MR. HORTON: Objection.

11 A. I don't know.

12 Q. Did Western Union say that the -- that the
13 use of XRP did not provide any cost savings?

14 MR. HORTON: Objection to form.

15 A. I don't know.

16 Q. Your email at the top, what are you talking
17 about here?

18 A. I'm responding to [REDACTED] email around some
19 Fortune article that was going to come out.

20 Q. Regarding?

21 A. [REDACTED] CEO saying they have not
22 seen any cost savings from xRapid.

23 Q. You respond, quote, Cost savings were never
24 the goal of the pilot.

25 Did Ripple ever communicate that cost

1 savings were never the goal of the xRapid pilot?

2 MR. HORTON: Object to form.

3 A. I don't know.

4 Q. Did Ripple publicly state that xRapid
5 pilots showed cost savings for customers?

6 MR. HORTON: Objection.

7 A. I don't know.

8 Q. Well, could you infer that that's what they
9 were saying, that's why [REDACTED] had come out
10 and said that they did not experience any cost
11 savings?

12 MR. HORTON: Objection to the form.

13 A. I don't know. I mean, the only mention of
14 cost savings in this email is the email from the
15 Fortune person, I think, to [REDACTED] And I -- I do not
16 know where he's getting the 40 to 70 percent, or
17 where that was released, or what he's referencing.

18 Q. Did Ripple ever state that customers would
19 save between 40 and 70 percent by using XRP in
20 connection with xRapid?

21 MR. HORTON: Objection to form.

22 A. I don't know.

23 Q. Then you go on to say, The purpose of the
24 pilot with [REDACTED] was to provide the utility, speed and
25 payment certainty with the understanding that if [REDACTED]

1 wanted to go into production, we could, through
2 incentives, match or beat their cost.

3 Ripple never communicated publicly that it
4 would use incentives to match or beat costs, right?

5 MR. HORTON: Objection to form.

6 A. I don't know.

7 Q. Then you go on to say, I think it's
8 important to restate the fact that xRapid is meant
9 for challenger payment providers without the reach
10 and sophisticated treasury options of a [REDACTED]

11 Ripple publicly stated that banks would use
12 xRapid. Right?

13 MR. HORTON: Objection to form.

14 A. I don't know.

15 Q. Then you go on to say at the bottom, As for
16 the 40 to 70 percent cost savings calculation, I
17 wasn't close to that release but [REDACTED] and [REDACTED]
18 should be able to help.

19 Did you ever see any analysis to back up
20 any claim that xRapid provided 40 to 70 percent cost
21 savings?

22 MR. HORTON: Objection to form.

23 A. I don't remember.

24 Q. To your knowledge, did Ripple do any
25 analysis to verify the amount of cost savings that it

1 publicized?

2 MR. HORTON: Objection to form.

3 A. I don't remember.

4 Q. Did these cost savings take into account
5 incentive payments that Ripple provided to users of
6 xRapid?

7 MR. HORTON: Objection to form.

8 A. I don't know.

9 Q. When you left xRapid, in April 2020 --

10 A. Ripple?

11 Q. -- Ripple in April 2020, did you think
12 xRapid was scalable?

13 MS. COWAN: Objection.

14 A. Yes.

15 Q. And why did you think it was scalable?

16 MS. COWAN: Objection.

17 A. I -- I thought all the necessary pieces
18 were there to create a scalable product.

19 Q. At the time you left, were banks using
20 xRapid?

21 A. Not that I know of.

22 Q. And why were banks not using xRapid?

23 MR. HORTON: Object to the form.

24 A. I don't know.

25 Q. Did you ever have conversations with

1 anyone -- with any banks about xRapid?

2 A. Not that I can remember, no.

3 Q. Did you ever raise any concerns while you
4 were at Ripple?

5 MS. COWAN: Objection.

6 Q. You can answer the question.

7 A. Did I ever raise any concerns while I was
8 at Ripple?

9 Q. Uh-huh.

10 MS. COWAN: About anything?

11 A. About anything?

12 Q. Yes, about anything.

13 A. About, like, the coffee being bad?

14 Q. You don't seem like the person who would
15 raise that objection, that concern.

16 Did you raise any concerns concerning your
17 role while you were at Ripple?

18 MS. COWAN: Objection.

19 A. I don't remember.

20 Q. Did you raise any concerns regarding
21 Ripple's XRP strategy while you were at Ripple?

22 MS. COWAN: Objection to form.

23 A. Yeah, I don't remember.

24 Q. You said earlier that you left Ripple in
25 April 2020.

1 Why did you leave?

2 A. You know, Brad and I sat down and we agreed
3 it was -- it was time to make a change.

4 Q. Did Brad pressure you to leave?

5 A. No. I would say it was like 60/40, 65/35
6 Brad saying, Hey, I think it's time, and me agreeing.

7 Q. And why did he think it was time for you to
8 leave?

9 MR. HORTON: Objection to form.

10 A. I don't know.

11 Q. Did you receive poor performance reviews
12 from Brad?

13 MS. COWAN: Objection.

14 A. Brad was never my direct report, so no.
15 I -- I never received any poor -- or positive reviews
16 from Brad.

17 Q. So why did he -- did he tell you when you
18 sat down with him -- what did he say at the time that
19 he sat down with you that you had this conversation,
20 about, Hey, it's time for you to leave?

21 A. I think literally he said, Hey, I think
22 it's time for you to leave.

23 Q. Did you ask him why he felt that?

24 A. No. I remember -- no, being a little sad
25 about it. It wasn't -- that's not a comfortable

1 thing to hear.

2 But I also agreed.

3 Q. You agreed with what?

4 A. With -- that it was time to move on.

5 Q. Why was it time to move on?

6 A. So I had come back from paternity leave in
7 October of 2020. I went on pat leave in July, so I
8 was gone for three months. And I really
9 disconnected, and I really wanted to spend time with
10 the family.

11 And when I came back, you know, [REDACTED] who
12 I got along with very well, she was transitioning out
13 and wasn't really -- I don't think she ran the BD
14 team anymore, and the markets team was in a little
15 bit of flux. And I -- I basically said to [REDACTED] who
16 was my report, my direct report, I reported to him, I
17 said, look, I don't -- I don't see where I fit
18 naturally anymore, kind of on the rapid team, on the
19 markets team. I would really like to incubate this
20 other idea around using the -- the balance sheet, the
21 XRP balance sheet, for prime brokerage.

22 And I really think it's a great use case
23 for the balance sheet. Balance sheet just sits
24 there, does nothing. I want to -- you know, I want
25 to explore this and see if we can either create a

1 spinoff or -- in -- in-house, however.

2 And I got the go-ahead to do that. So I
3 spent three months, from October to -- two and a half
4 months, from October to, like, mid-Dec, basically
5 putting together that plan, the idea, prospective
6 team, doing research around the market, the
7 opportunity. You know, I presented it to leadership,
8 and they said no.

9 That was mid-December.

10 And then the holidays happened. And it
11 just -- it wasn't clear, sort of, where I -- now
12 what?

13 So when I sat down with Brad, it wasn't
14 wholly surprising, like it was -- my -- my role was
15 in flux.

16 Q. What was your role before you left?

17 A. So right before I left, I think my -- my --
18 my responsibility revolved fully around xRapid
19 partnerships and xRapid development.

20 Q. Why was your role in flux?

21 Why was that role in flux?

22 A. When I came back?

23 Well, partially because I had put it in
24 flux. I said, I don't really want to do that
25 anymore; I want to focus on this idea.

1 So then at that point it had been six
2 months since I'd been away from kind of operational
3 responsibilities around xRapid partnerships. That's
4 a long time to be away from the team. It's hard to
5 integrate you back. And, frankly, I didn't -- I
6 don't know if I wanted to do that. I really wanted
7 to do this brokerage idea.

8 Q. When you talk about Ripple's balance sheet,
9 are you referring to Ripple's XRP holdings?

10 A. Yes.

11 Q. And did you recommend that Ripple spin off
12 a prime brokerage for XRP?

13 A. I don't know that that necessarily
14 recommended -- if I recommended the spinoff or
15 whether we did it in-house. I think it was a
16 spinoff, yeah. I think that's right, yeah.

17 Q. And did you get feedback from Brad about
18 the idea?

19 A. Yes.

20 Q. And what was his feedback?

21 A. His feedback was he wasn't sure the timing
22 was right. He felt like it might distract the
23 organization from the core. He was -- really -- you
24 know, he wanted to kind of drive the company towards
25 an IPO, and this might be distracting to that.

1 He also said he didn't think I was the
2 right person to do it.

3 Q. Who initially gave you the go-ahead? You
4 said, initially, you got the go-ahead, but later in
5 December --

6 A. I got the go-ahead to -- to -- you know,
7 flesh out the idea, but not to actually do it.

8 Q. Who gave you the go-ahead to flesh out the
9 idea?

10 A. I don't remember exactly. I don't remember
11 how that happened.

12 Q. And just briefly, how would you use
13 Ripple's XRP holdings as part of this business --
14 prime brokerage business?

15 MS. COWAN: Objection.

16 A. So prime brokerage business -- really
17 all -- all the PB is a very big balance sheet that
18 insulates customer from credit losses. So if you
19 think of, like, two small hedge funds that want to
20 trade with each other but neither one of them has a
21 great credit. And as a result, the -- their credit
22 teams and their legal teams can't agree for them to
23 trade. Partially because of settlement issues. It's
24 often who goes first.

25 And they won't extend any credit line, so

1 you have to -- you have to gross settle everything so
2 they won't net settle everything. And it gets very,
3 very inefficient to trade with other folks.

4 So in FX, in the early '90s, banks saw this
5 as an opportunity and they started to basically
6 extend their balance sheet to their fund customers.

7 So what happens is a fund now, instead of
8 you and I trading directly with each other, we trade
9 with a third party that has better credit than both
10 of us. So we'll trade with each other and then we
11 will give that trade up, name give up to the PB. So
12 that at the end of the day, we're not settling with
13 one another.

14 I thought that that was -- there was an
15 analog to where cryptocurrency markets were at the
16 end of '19 and the early part of '20 to FX, and in
17 some respects, precious metals as well, in the early
18 '90s.

19 And other feedback I got back from the
20 market was that a PB would be fantastic because it
21 would solve a lot of issues, particularly around
22 settlement, because cryptos are the bare assets. You
23 know, it's like we trade and it's like, Well, okay,
24 so send me the Bitcoin first.

25 And I'm like, Well, no. Why don't you send

1 me the money first.

2 That's -- a prime brokerage solves that,
3 right, because a prime broker has better credit than
4 everybody. And it's like, No, everybody is going to
5 settle with me first. And then I'll disburse, right?

6 So the idea around the crypto -- the XRP
7 balance sheet is that it was the big -- I think it
8 still is the biggest balance sheet in all of crypto.
9 So that would be the tool that we could use to build
10 a trading business, a prime brokerage business where
11 folks would trade with the PB.

12 MR. HORTON: Counsel, I just want to
13 clarify something on the record quickly. Mr. Vias
14 stated a few moments ago that he came back from
15 paternity leave in October 2020, and I believe he
16 meant October 2019.

17 THE WITNESS: Thank you. Sorry about that.

18 Q. Can you -- when you say you were talking
19 about the biggest balance sheet in crypto, are you
20 talking about Ripple's XRP holdings being the
21 biggest -- holdings that one entity holds?

22 MS. COWAN: Objection.

23 A. I believe so. I believe that's the biggest
24 crypto balance sheet out there.

25 Q. Upon leaving Ripple, did you agree to

1 provide anything in connection with the SEC's
2 investigation or litigation as part of your
3 separation from the company?

4 MR. HORTON: Objection. Form.

5 A. I don't think so, no.

6 Q. Are you paying for your representation by
7 counsel today?

8 A. I am not.

9 Q. Is Ripple covering your attorneys fees?

10 A. Yes.

11 Q. Did you receive any sources of contribution
12 from Ripple or any affiliated entity when you left?

13 MS. COWAN: Objection.

14 A. In terms of, like, severance?

15 Q. Yes.

16 A. Yes, I think I got [REDACTED] severance.

17 Q. Did you receive anything else?

18 MR. HORTON: Objection to form.

19 A. Not that I think recall, no.

20 Q. Did you receive any XRP?

21 A. No.

22 MS. WAXMAN: Let's go off the record.

23 THE VIDEOGRAPHER: Going off the record --

24 MS. WAXMAN: 5:40.

25 THE VIDEOGRAPHER: -- at 5:40 p.m. Eastern.

1 (A recess was taken from 5:40 to 5:49.)

2 THE VIDEOGRAPHER: We are back on the
3 record at 5:49 p.m. Eastern.

4 Q. Mr. Vias, I'm showing you what's been
5 marked as Exhibit 71. It's a document with the
6 Bates 0371769 through -771.

7 (Email exchange re: Increasing Retail
8 Support of XRP, Bates 0371769 through -771, was
9 marked MV Exhibit 71 for identification, as of
10 this date.)

11 (Witness reviewing document.)

12 A. Okay.

13 Q. The top email you write, The retail use
14 case is one that has not panned out in any digital
15 currency. Outside of places like Venezuela and
16 Zimbabwe and ICOs, to date, the only use for any
17 asset is pure speculation.

18 So in December 2017, you understood that
19 nobody was using XRP to buy goods and services?

20 MR. HORTON: Objection to form.

21 A. No.

22 Q. Is your answer, no, you -- you -- you did
23 not believe that?

24 Or what was your understanding regarding
25 the retail use case for digital currency in

1 December 2017?

2 A. So I thought that the majority of the --
3 the majority of the activity around digital
4 currencies was speculation.

5 Q. Well, you say to date the only use case for
6 any asset is pure speculation.

7 And what do you mean by "retail use case"?

8 A. So if you look at Dinuka's email, where
9 he's saying bring back -- promoting XRP is a
10 peer-to-peer digital asset, that's the retail use
11 case that he's talking about. And that's what I am
12 referencing with respect to Zimbabwe and Venezuela.

13 You know, this like, peer-to-peer exchange
14 of a digital currency as payment, at that point,
15 hadn't really taken off anywhere. So I was a little
16 skeptical.

17 Q. Did others at -- did everyone at Ripple
18 also acknowledge that nobody was using XRP in that
19 way that you just described?

20 MR. HORTON: Objection to form.

21 A. First, I don't know that no one was using
22 it. I just -- it wasn't a retail use case that
23 seemed to be taking off, if anybody was using it. In
24 Venezuela and Zimbabwe, in particular, Argentina now
25 little bit, there's definitely use of crypto as

1 payment. I don't know -- at the time, I don't think
2 that there was much going on outside of these two
3 places.

4 Q. Did Ripple limit its sales to retail use in
5 Venezuela and Zimbabwe?

6 MR. HORTON: Objection to form.

7 A. We not sell in Zimbabwe and Venezuela, as
8 far as I know.

9 Q. At the bottom of the email, you say, In my
10 opinion, what we need is more traction in its use
11 case and more exposure around that traction and for
12 XRP generally.

13 What do you mean by "more exposure around
14 that transaction"?

15 MR. HORTON: Objection. That's not the
16 email.

17 I think you said "transaction."

18 A. Traction.

19 MS. WAXMAN: Traction. Thank you.

20 A. I don't remember exactly what I meant by
21 this.

22 Q. Was "more exposure" meant to mean more
23 market or more promotion?

24 MR. HORTON: Objection to form.

25 A. I think around the use case, we were

1 starting to get -- this is December '17. I think we
2 had just done the pilots or were in the middle of the
3 pilots. I felt like that was a really big step. I
4 think at the time, it was the first -- it was the
5 first example of -- like -- real-world companies,
6 transacting real value not in some test net, but in
7 the real world.

8 Like, even the pilots, though, they were
9 small, it felt like a huge deal. Because here you
10 had companies that were, in some instances, public,
11 had real businesses. And here they were taking time,
12 energy resources to try this. And they were doing so
13 in a way that wasn't -- so much of crypto projects
14 back then, everything was a pilot but it was in,
15 like, a closed loop, and it was completely
16 controlled. We didn't do that.

17 So I felt like that traction was a big
18 deal.

19 Q. Would increased exposure around that
20 traction help speculation for XRP?

21 MR. HORTON: Objection to form.

22 A. I don't know.

23 Q. Well, why would you want to increase the
24 exposure at that time, if the only use for the asset
25 at the time was speculation?

1 MR. HORTON: Objection.

2 A. So when you -- when you're building
3 anticipation for a product like xRapid, especially as
4 you're targeting -- you know, payments companies,
5 they are highly regulated. The margins aren't great.

6 You know, I think if -- if you approached
7 30 payments companies with something like this, you
8 know -- I don't know, I'm not going to speculate on a
9 number -- but you -- the 30 won't come along. And
10 they'll all have different reasons for not coming
11 along.

12 So I think marketing that traction and
13 signaling that, Hey, I think this is working,
14 increases interest in the use case, increases
15 interest in the product and gets you some inbounds,
16 makes outbound conversations easier, and makes it
17 easier to point to things that are working so that
18 you're not constantly kind of running uphill with
19 conversations around using the product.

20 Q. But it also increases speculation in XRP.

21 MS. COWAN: Objection.

22 MR. HORTON: Objection.

23 Is that a question?

24 A. Question?

25 Q. In your opinion, does this increased

1 exposure to Ripple's efforts to develop a use help
2 speculation?

3 MR. HORTON: Objection to form.

4 A. I don't know.

5 THE VIDEOGRAPHER: Counsel, you have
6 four minutes left.

7 Q. Exhibit 4, please.

8 (Email re: 2t off, 6t on, Bates GSR0017343,
9 was marked MV Exhibit 4 for identification, as
10 of this date.)

11 Q. Mr. Vias, I'm showing you what's been
12 marked as Exhibit MV 4, which is the document
13 GSR0017343.

14 While you're -- before you get that
15 document, are you familiar with an entity called
16 Rippleworks?

17 A. Yes.

18 Q. Okay. And did you instruct Ripple's market
19 makers as to Ripple's -- Rippleworks' sales of XRP?

20 MR. HORTON: Objection to form.

21 A. Not that I can remember, no.

22 Q. Take a look at MV 4.

23 Let me know when you're done.

24 This is an email to GSR.

25 A. Uh-huh.

1 Q. And, it's from you. It's dated
2 December 2016. You say, We are going to turn Ripple
3 bot 2T off, but please leave Rippleworks 6T on.

4 So you provided instructions to GSR for
5 Rippleworks' sales of XRP?

6 MR. HORTON: Objection to form.

7 A. So in this email -- and, again, three weeks
8 in, it's me and [REDACTED] We don't have an operations
9 around this at all.

10 If I remember correctly, the way this works
11 is either [REDACTED] or [REDACTED] would have instructed --
12 and this is, again, before we had an instruction. We
13 didn't have any meetings. It was basically somebody
14 said, Hey, tell the market makers to turn off our
15 bots and leave Rippleworks on.

16 Q. Would you turn off Ripple bots -- Ripple's
17 bots and leave Rippleworks' bots on?

18 A. I don't know.

19 Q. Why were you giving instructions relating
20 to Rippleworks' bot?

21 MR. HORTON: Objection to form.

22 A. I don't know.

23 Q. Did you ever provide instructions
24 concerning Rippleworks' bots on any other occasion?

25 MR. HORTON: Objection to form.

1 A. I don't remember.

2 MS. WAXMAN: Okay. We don't have any more
3 questions.

4 Counsel, do you have any questions?

5 MS. COWAN: We have no questions.

6 MS. WAXMAN: We're off the record at 6:01.

7 THE VIDEOGRAPHER: This concludes the
8 deposition for Miguel Vias for June 28, 2021. We are
9 going off the record at 6:01 p.m. Eastern.

10 (Time noted: 6:01 p.m.)
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 CERTIFICATE OF WITNESS

2
3
4 I, MIGUEL VIAS, do hereby declare under
5 penalty of perjury that I have read the entire
6 foregoing transcript of my deposition testimony,
7 or the same has been read to me, and certify that
8 it is a true, correct and complete transcript of
9 my testimony given on June 28, 2021, save and
10 except for changes and/or corrections, if any, as
11 indicated by me on the attached Errata Sheet, with
12 the understanding that I offer these changes and/or
13 corrections as if still under oath.

14 _____ I have made corrections to my deposition.

15 _____ I have NOT made any changes to my deposition.

16
17 Signed: _____
18 MIGUEL VIAS

19 Dated this _____ day of _____ of 20____.

20
21 Sworn to and Subscribed before me,
22 this _____ day of _____, 20____.

23 _____
24 Notary Public My commission expires: _____
25

C E R T I F I C A T E

STATE OF NEW YORK)
) Ss.:
COUNTY OF NEW YORK)

I JEFFREY BENZ, a Certified Realtime Reporter,
Registered Merit Reporter and Notary Public within and
for the State of New York, do hereby certify:

That the witness whose examination is hereinbefore
set forth was duly sworn by me and that this transcript
of such examination is a true record of the testimony
given by such witness.

I further certify that I am not related to any of
the parties to this action by blood or marriage and that
I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand
this 29th of June, 2021.

JEFFREY BENZ, CRR, RMR

ERRATA SHEET

Deposition of: MIGUEL VIAS

Date taken: JUNE 28, 2021

Case: SEC v. RIPPLE LABS, INC., et al.

PAGE LINE

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

CHANGE: _____

REASON: _____

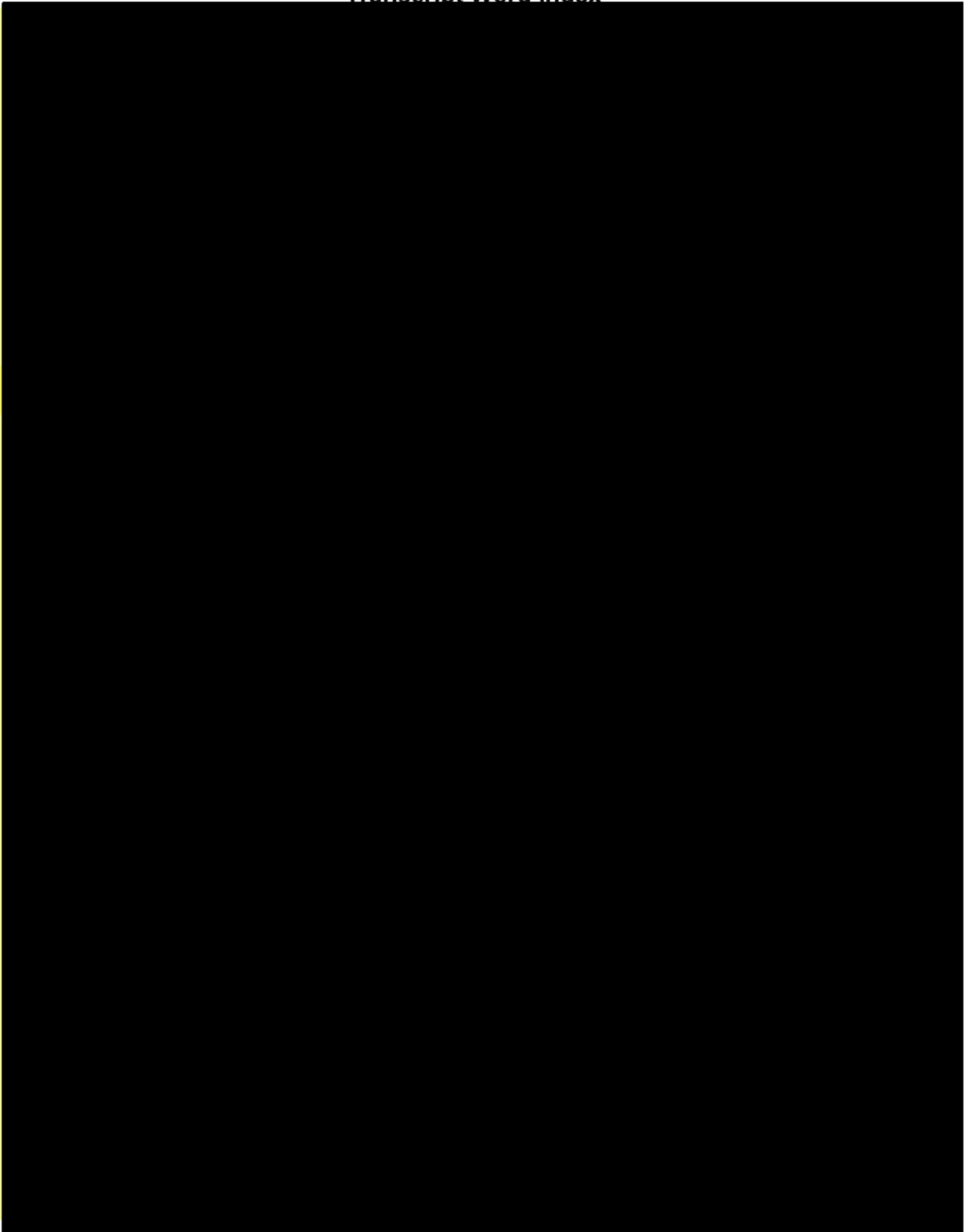
CHANGE: _____

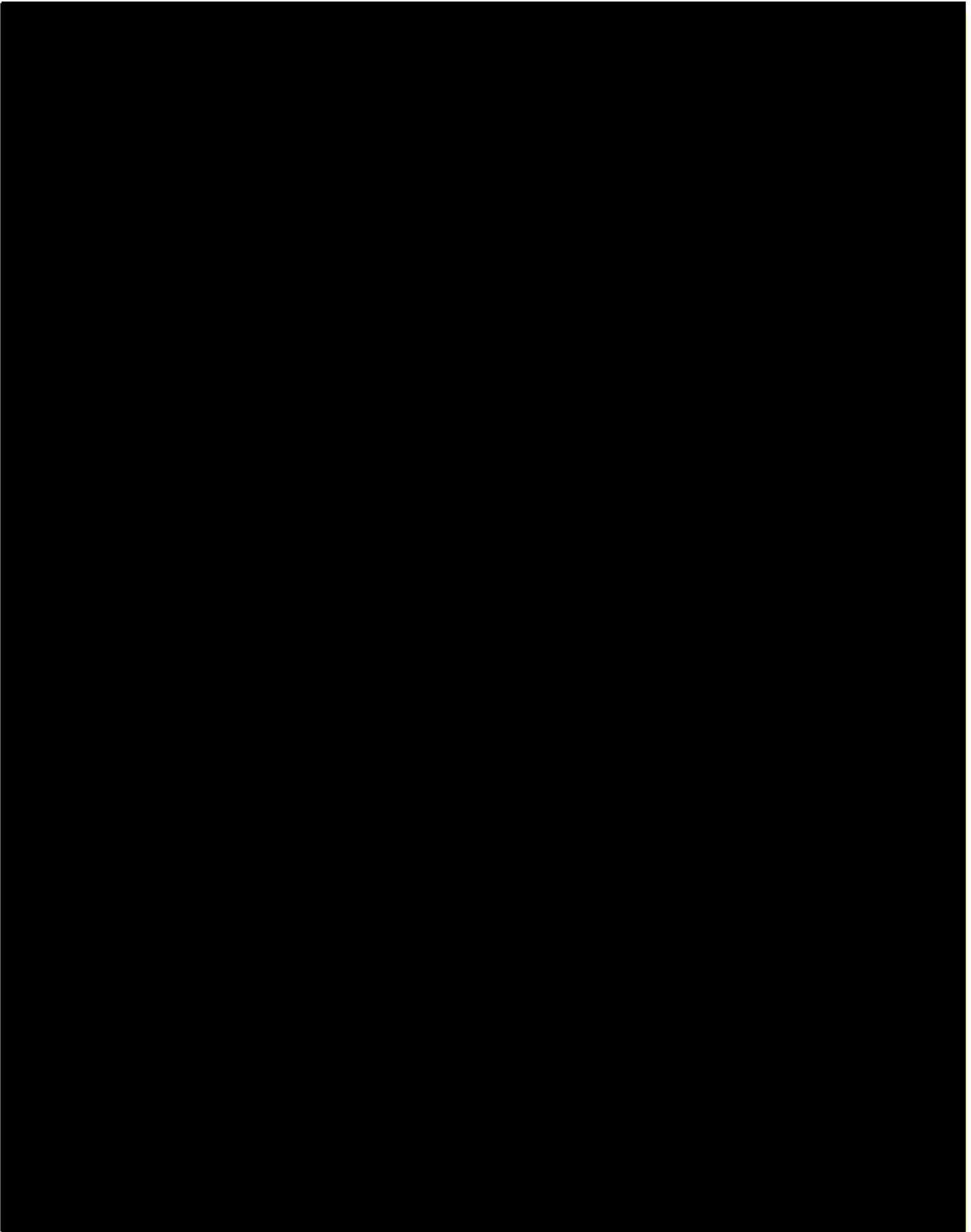
REASON: _____

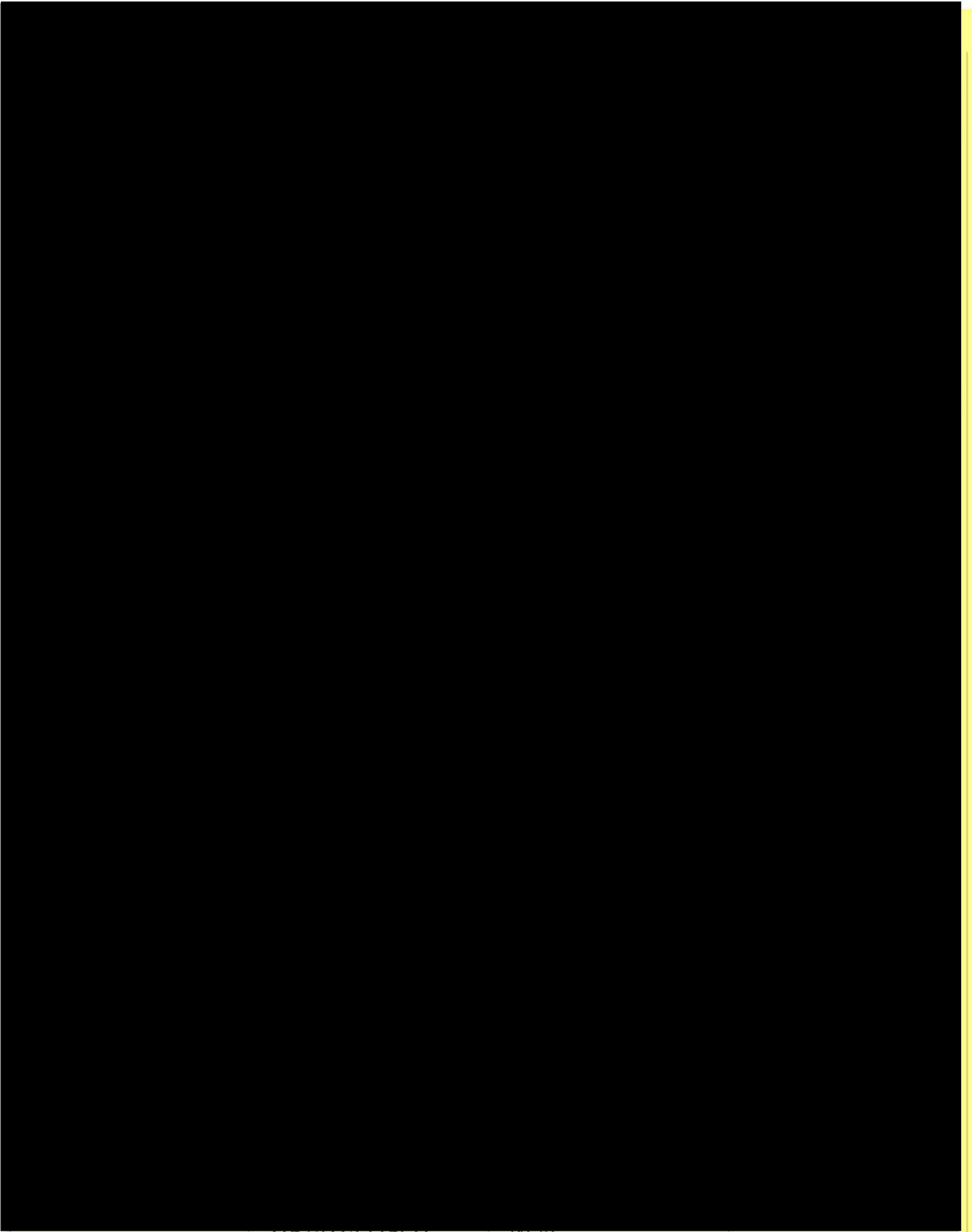
Signed _____

Dated _____

Transcript Word Index







227.25 228.1 247.22 38.18

